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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 26, 2001

APPLICATIONS OF

ALLEGHENY ENERGY SUPPLY COMPANY, LLC CASE NO. PUE010375

For a permanent license to conduct business as a competitive services provider for electric retail access

and

ALLEGHENY ENERGY SUPPLY COMPANY, LLC CASE NO. PUE000404

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE

On July 13, 2001, Allegheny Energy Supply Company, LLC ("Allegheny" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PE-6, to a permanent license to provide competitive electricity supply service to all classes of retail customers. In a letter filed on August 14, 2001, Allegheny clarified its application, noting that it wished to serve the entire state of Virginia as an electric competitive service

 $^{^1}$ This license, issued in Case No. PUE000404, authorizes Allegheny to provide competitive electric service in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA").

provider as individual electric service territories become open to full retail access. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On August 22, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring Allegheny to provide notice of its application to each electric utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on Allegheny's application were received.

On September 18, 2001, the Staff filed a response to Allegheny's application. In its response, the Staff advised that it did not oppose Allegheny's application. However, the Staff recommended that Case No. PUE000404 in which the Commission granted the Company its retail access pilot license to provide competitive electric supply service to all classes of retail customers in conjunction with AEP-VA's and Virginia Power's pilot programs be closed, and that Allegheny be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010375. The Staff contended that this

action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of Allegheny's application to convert its present license to a permanent license to conduct these activities, and the Staff's response thereto, the Commission is of the opinion and finds that Allegheny's request should be granted; that Case No. PUE000404 be closed; and that any reports that Allegheny must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010375.

Accordingly, IT IS ORDERED THAT:

- (1) Allegheny's pilot license, License No. PE-6, is hereby cancelled and replaced with License No. E-1 for the provision of competitive electric service to residential, commercial and industrial customers in Virginia Power and AEP-VA's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.
- (2) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (3) Failure of Allegheny Energy Supply Company, LLC to comply with the Interim Rules, the Retail Access Rules, the provisions of this Order, other State Corporation Commission

orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

- (4) Case No. PUE000404 is hereby dismissed.
- (5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

ATTACHMENT A

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